

Message Text

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ACTION NEA-12

INFO OCT-01 ADP-00 SS-15 PM-07 NSC-10 CIAE-00 INR-10

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S E C R E T JIDDA 3537

SECDEF FOR ISA

E.O. 11652: GDS

TAGS: MASS, SA

SUBJECT: SAUDI NAVAL EXPANSION PROGRAM

REF JIDDA 3533

EMBASSY RECEIVED AUGUST 19 LETTER FROM MODA PRINCE
SULTAN DATED AUGUST 18, IN WHICH PRINCE EXPRESSES CONCERN
AND DISSATISFACTION WITH PLANNING FOR ROYAL SAUDI NAVAL
EXPANSION. EMBASSY TRANSLATION FOLLOWS:

QUOTE HIS EXCELLENCY, THE ESTEEMED AMBASSADOR OF
THE UNITED STATES:

SUBSEQUENT TO WARM REGARDS:

YOUR EXCELLENCY KNOWS OF THE DEVELOPMENTS OF THE
PROJECT FOR EVOLVING THE ROYAL SAUDI NAVY IN COOPERA-
TION WITH THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THAT (THIS PROJECT) HAS PASSED THROUGH THE
FOLLOWING STAGES:

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IN THE YEAR 1970 THE AMERICAN MILITARY DELE-

GATION WHICH UNDERTOOK A VISIT TO THE KINGDOM UNDER THE DIRECTION OF GENERAL LEAHY, PRESENTED A REPORT IN WHICH IT SUPPORTED THE POSSIBILITY OF THE EVOLUTION OF THE SAUDI NAVY AT AN INITIAL COST ESTIMATED TO BE \$140 MILLION. THE SAUDI GOVERNMENT AGREED TO THE RECOMMENDATIONS OF THE DELEGATION AND ON THIS BASIS -- FOLLOWING MEETINGS BETWEEN AMERICAN AND SAUDI OFFICIALS -- THERE TOOK PLACE ON JANUARY 18, 1972 THE SIGNING OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE TWO GOVERNMENTS CONCERNING THE DEVELOPMENT OF THE SAUDI NAVY.

AFTER SIGNATURE OF THE MEMORANDUM OF UNDERSTANDING, MEETINGS TOOK PLACE BETWEEN AMERICAN MILITARY REPRESENTATIVES AND OFFICIALS OF THE SAUDI NAVY IN WHICH THE REQUIREMENTS OF THE SAUDI NAVY WERE PUT FORWARD IN DETAIL; AGREEMENT WAS ALSO REACHED ON PROCEEDING WITH STUDIES ON THE POSSIBILITY OF MAKING THE NECESSARY CHANGES TO SOME OF THE DESIGNS OF THE AMERICAN VESSELS TO MEET THE REQUIREMENTS OF RSN. LIKEWISE, IT WAS AGREED THAT THE ARMING AND THE EQUIPMENT SHOULD BE OF THE MOST MODERN KINDS CONGRUENT WITH THE CIRCUMSTANCES OF THE 1980'S. AT THE END OF THE MONTH OF FEBRUARY 1972 THE AMERICAN NAVY PRESENTED ESTIMATES FOR THE PROJECT THAT RAISED THE COSTING TO 596 MILLION U.S. DOLLARS.

THE MINISTRY WAS ASTONISHED BY THIS LARGE INCREASE IN THE ESTIMATES WHICH THE AMERICAN SIDE JUSTIFIED AT THAT TIME (SAYING) IT WAS THE RESULT OF MORE DETAILED STUDY AND MORE REALISTIC SPECIFICATION OF THE RSN'S REQUIREMENTS, AND THAT THESE WERE MATTERS THAT THE REPORT OF GENERAL LEAHY HAD NOT TAKEN INTO CONSIDERATION BECAUSE OF INSUFFICIENT EXPERTISE IN NAVAL AFFAIRS. WE ACCEPTED THESE JUSTIFICATIONS EVEN THOUGH THE LAST ESTIMATES EXCEEDED THE ESTIMATES WHICH HAD BEEN PRESENTED TO US BY OTHER STATES BECAUSE OF OUR DESIRE FOR THE CONTINUATION OF COOPERATION BETWEEN THE TWO GOVERNMENTS IN THIS FIELD.

DESPITE THE ABOVE MENTIONED ASTONISHMENT OF THE MINISTRY, IT WAS FURTHER SURPRISED LAST MONTH BY A LETTER OFFER FROM THE U.S. NAVY CONTAINING TWO OPTIONS FOR
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THE SHIPS AND VESSELS REQUESTED, THE FIRST OF THEM PROPOSING OLD WEAPONS WITH A TOTAL ESTIMATED VALUE OF \$269.25 MILLION, AND THE OTHER, WITH MODERN WEAPONS WITH A TOTAL ESTIMATED VALUE OF \$414.50 MILLION. (OUR SURPRISE WAS THE GREATER SINCE) THE COST OF THE SHIPS AND ARMAMENT IN THE MONTH OF FEBRUARY DID NOT EXCEED \$210 MILLION.

SINCE WE DID NOT HAVE BEFORE US A CONVINCING

JUSTIFICATION FOR THIS CHANGE IN THE ESTIMATES, WE MADE A NUMBER OF INQUIRIES OF CHIEF USMTM, WHOSE REPLIES WERE UNCONVINCING TO US. MY ASTONISHMENT, MOREOVER, WAS EVEN FURTHER INCREASED WHEN I LEARNED THAT THE ESTIMATES OF THE MONTH OF FEBRUARY PRESUPPOSED OLD WEAPONS, EVEN THOUGH THE OFFICIALS OF THE SAUDI AND THE U.S. NAVIES HAD FOR THE PAST TWO YEARS BEEN STUDYING AND DISCUSSING THE ESTABLISHMENT OF A MODERN NAVY WHICH USES THE MOST MODERN EQUIPEMTN. LIKEWISE, MOST OF THE FACTS WITH WHICH THE AMERICAN SIDE SOUGHT TO JUSTIFY THE INCREASED ESTIMATES OF THE MONTH OF JULY OVER THE ESTIMATES OF THE MONTH OF FEBRUARY WERE KNOWN TO THE U.S. NAVY BEFORE THE MONTH OF FEBRUARY.

YOUR EXCELLENCY, NO DOUBT YOU SHARE WITH ME A DESIRE TO STRENGTHEN SAUDI-U.S. TIES IN ALL FIELDS. FOR THIS REASON I FIND IT MY DUTY TO STATE TO YOU THAT THE AFOREMENTIONED DEVELOPMENTS IN THE PROJECT OF EVOLVING THE RSN IS CAUSE FOR UNEASE ON OUR PART AND FEAR THAT (THERE IS) A LACK OF DESIRE BY THE U.S. GOVERNMENT TO GO AHEAD WITH THE PROJECT AND COMPLETE IT IN THE DESIRED WAY. THEREFORE, I EXPRESS TO YOUR EXCELLENCY THIS CONCERN, HOPING THAT IT IS STILL POSSIBLE TO RECTIFY THE DIFFICULTY IN A MANNER CONSONANT WITH THE FRIENDLY, STRONG RELATIONS BETWEEN THE TWO COUNTRIES, AND WHICH DOES NOT COMPEL US TO LOOK FOR OTHER ALTERNATIVES TO THE RSN'S PROJECT. I AM CONFIDENT THAT YOUR EXCELLENCY WILL EXERT THE UTMOST EFFORT TO OVERCOME THIS DIFFICULTY AND TO UNDERSTAND OUR POSITION SO AS TO REACH A SOLUTION SATISFACTORY TO THE TWO SIDES.

PLEASE ACCEPT MY MOST SINCERE REGARDS.

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AL-AZIA
MINISTER OF DEFENSE AND AVIATION
AND INSPECTOR GENERAL END QUOTE
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